
SENATE BILL 5250

State of Washington 60th Legislature 2007 Regular Session

By Senators Swecker, Haugen, Kilmer, Kline, Rockefeller and Shin

Read first time 01/15/2007. Referred to Committee on Transportation.

1 AN ACT Relating to transferring motor vehicle ownership; and
2 amending RCW 46.12.101.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 46.12.101 and 2006 c 291 s 2 are each amended to read
5 as follows:

6 A transfer of ownership in a motor vehicle is perfected by
7 compliance with the requirements of this section.

8 (1)(a) If an owner transfers his or her interest in a vehicle,
9 other than by the creation, deletion, or change of a security interest,
10 the owner shall, at the time of the delivery of the vehicle, execute an
11 assignment to the transferee and provide an odometer disclosure
12 statement under RCW 46.12.124 on the certificate of ownership or as the
13 department otherwise prescribes, and cause the certificate and
14 assignment to be transmitted to the transferee. The owner shall notify
15 the department or its agents or subagents, in writing, on the
16 appropriate form, of the date of the sale or transfer, the name and
17 address of the owner and of the transferee, the transferee's driver's
18 license number if available, and such description of the vehicle,
19 including the vehicle identification number, as may be required in the

1 appropriate form provided or approved for that purpose by the
2 department. The report of sale will be deemed properly filed if all
3 information required in this section is provided on the form and
4 includes a department-authorized notation that the document was
5 received by the department, its agents, or subagents on or before the
6 fifth day after the sale of the vehicle, excluding Saturdays, Sundays,
7 and state and federal holidays. Agents and subagents shall immediately
8 electronically transmit the seller's report of sale to the department.
9 Reports of sale processed and recorded by the department's agents or
10 subagents may be subject to fees as specified in RCW 46.01.140 (4)(a)
11 or (5)(b). By January 1, 2003, the department shall create a system
12 enabling the seller of a vehicle to transmit the report of sale
13 electronically. The system created by the department must immediately
14 indicate on the department's vehicle record that a seller's report of
15 sale has been filed.

16 (b) By January 1, 2008, the department shall create a document that
17 allows the seller of a vehicle to release his or her interest in a
18 vehicle at the same time a bank, as defined in RCW 30.04.010, notifies
19 the department that a lien against a vehicle has been released. The
20 department shall incorporate both the seller's release of interest and
21 the bank's notice of lien release into this document. The document
22 must require the seller to acknowledge that the lien release has been
23 accompanied by a subsequent sale of the vehicle to a third party and
24 must include the seller's name, address, driver's license number, and
25 signature as well as the transferee's name, address, driver's license
26 number, and signature. Properly submitting this document transfers a
27 vehicle's title, provided that the seller's release of interest becomes
28 valid when the transferee applies for a certificate of ownership. This
29 subsection (1)(b) does not affect the validity or legal effect of a
30 seller's report of sale.

31 (2) The requirements of subsection (1)(a) of this section to
32 provide an odometer disclosure statement apply to the transfer of
33 vehicles held for lease when transferred to a lessee and then to the
34 lessor at the end of the leasehold and to vehicles held in a fleet when
35 transferred to a purchaser.

36 (3) Except as provided in RCW 46.70.122 the transferee shall within
37 fifteen days after delivery to the transferee of the vehicle, execute
38 the application for a new certificate of ownership in the same space

1 provided therefor on the certificate or as the department prescribes,
2 and cause the certificates and application to be transmitted to the
3 department accompanied by a fee of five dollars in addition to any
4 other fees required.

5 (4) Upon request of the owner or transferee, a secured party in
6 possession of the certificate of ownership shall, unless the transfer
7 was a breach of its security agreement, either deliver the certificate
8 to the transferee for transmission to the department or, when the
9 secured party receives the owner's assignment from the transferee, it
10 shall transmit the transferee's application for a new certificate, the
11 existing certificate, and the required fee to the department.
12 Compliance with this section does not affect the rights of the secured
13 party.

14 (5) If a security interest is reserved or created at the time of
15 the transfer, the certificate of ownership shall be retained by or
16 delivered to the person who becomes the secured party, and the parties
17 shall comply with the provisions of RCW 46.12.170.

18 (6) If the purchaser or transferee fails or neglects to make
19 application to transfer the certificate of ownership and license
20 registration within fifteen days after the date of delivery of the
21 vehicle, he or she shall on making application for transfer be assessed
22 a twenty-five dollar penalty on the sixteenth day and two dollars
23 additional for each day thereafter, but not to exceed one hundred
24 dollars. The director may by rule establish conditions under which the
25 penalty will not be assessed when an application for transfer is
26 delayed for reasons beyond the control of the purchaser. Conditions
27 for not assessing the penalty may be established for but not limited to
28 delays caused by:

- 29 (a) The department requesting additional supporting documents;
30 (b) Extended hospitalization or illness of the purchaser;
31 (c) Failure of a legal owner to release his or her interest;
32 (d) Failure, negligence, or nonperformance of the department,
33 auditor, or subagent;
34 (e) The transferee had no knowledge of the filing of the vehicle
35 report of sale and signs an affidavit to the fact.

36 Failure or neglect to make application to transfer the certificate
37 of ownership and license registration within forty-five days after the
38 date of delivery of the vehicle is a misdemeanor.

1 (7) Upon receipt of an application for reissue or replacement of a
2 certificate of ownership and transfer of license registration,
3 accompanied by the endorsed certificate of ownership or other
4 documentary evidence as is deemed necessary, the department shall, if
5 the application is in order and if all provisions relating to the
6 certificate of ownership and license registration have been complied
7 with, issue new certificates of title and license registration as in
8 the case of an original issue and shall transmit the fees together with
9 an itemized detailed report to the state treasurer.

10 (8) Once each quarter the department shall report to the department
11 of revenue a list of those vehicles for which a seller's report has
12 been received but no transfer of title has taken place.

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